



CHASHMA SUGAR MILLS LIMITED

**QUARTERLY FINANCIAL STATEMENTS
(UN-AUDITED)**

AS ON 31 DECEMBER, 2014

CHASHMA SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan
Chairman / Chief Executive

Begum Laila Sarfaraz
Mr. Abbas Sarfaraz Khan
Ms. Zarmine Sarfaraz
Ms. Najda Sarafaraz
Mr. Iskander M. Khan
Mr. Baber Ali Khan
Mr. Abdul Qadar Khattak
Mr. Sher Ali Jafar Khan

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Auditors

M/s. Hameed Chaudhri & Co., Chartered Accountants

Cost Auditors

M/s. Munawar Associates Chartered Accountants

Tax Consultants

M/s. Hameed Chaudhri & Co., Chartered Accountants

Legal Advisor

Mr. Tariq Mehmood Khokhar Barrister-at-Law, Advocate

Bankers

Bank Al-Habib Limited
The Bank of Khyber
MCB Bank Limited
The Bank of Punjab
Bank Al-Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
National Bank of Pakistan
Habib Bank Limited
United Bank Limited

CHASHMA SUGAR MILLS LIMITED

DIRECTORS' REVIEW REPORT

BRIEF REVIEW

The Directors of Chashma Sugar Mills Limited are pleased to present the 1st quarterly financial statements for the period ended 31 December, 2014 to the shareholders of the Company in compliance with the Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges in Pakistan.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2014-15 commenced in November 2014, both mills have crushed 708,408 tons up to 25 January, 2015 of sugarcane and have produced 58,398 tons of sugar at an average recovery of 8.42 %. We worked along with the farmers to change the Indian variety and hopeful for the improved results; weather remained favorable and rains were on time.

SUGAR PRICES

The GOP has allowed 650,000 tons of sugar to be exported by May 2015 with Rs. 10/- Kg subsidy to partially compensate the high support price of sugarcane. We are hopeful that the sugar prices will improve towards end of March 2015.

ETHANOL FUEL PLANT AT UNIT-II

The installation of the Ethanol Fuel Plant of 125,000 liters per day has been completed and the installation of Bio-Gas Plant is in progress.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these quarterly financial statements are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels.

ON BEHALF OF THE BOARD



(AZIZ SARFARAZ KHAN)

CHIEF EXECUTIVE

Mardan:
26 January, 2015

CHASHMA SUGAR MILLS LIMITED

BALANCE SHEET AS AT 31 DECEMBER, 2014 (UN-AUDITED)

	Un-audited Dec 31, 2014	Audited Sep 30, 2014
(Rupees in thousand)		
Assets		
Non-current Assets		
Property, plant and equipment	6,451,026	6,368,487
Intangible assets	204	233
Security deposits	4,128	4,128
	6,455,358	6,372,848
Current Assets		
Stores and spares	411,822	294,389
Stock-in-trade	2,675,819	1,703,189
Trade debts	75,567	177,856
Loans and advances	189,046	185,188
Prepayments and other receivables	152,035	152,088
Tax refund due from the Government	332,955	295,576
Bank balances	57,030	122,290
	3,894,274	2,930,576
TOTAL ASSETS	10,349,632	9,303,424
Equity and Liabilities		
Equity		
Authorised capital 50,000,000 ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid-up capital 28,692,000 ordinary shares of Rs.10 each	286,920	286,920
General reserve	327,000	327,000
Unappropriated profit / (accumulated loss)	94,547	(18,206)
Shareholders' Equity	708,467	595,714
Surplus on Revaluation of Property, Plant and Equipment	1,811,107	1,827,423
Non-current Liabilities		
Long term finances	2,401,871	2,027,408
Loans from related parties	437,000	437,000
Liabilities against assets subject to finance lease	16,645	17,054
Deferred taxation	725,402	742,210
	4,580,918	3,223,672
Current Liabilities		
Trade and other payables	1,159,717	367,373
Accrued mark-up	138,946	203,522
Short term borrowings	2,793,457	2,930,723
Current portion of non-current liabilities	157,020	154,997
	4,249,140	3,656,615
Total liabilities	7,830,058	6,880,287
TOTAL EQUITY & LIABILITIES	10,349,632	9,303,424
Contingencies and Commitments		

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2014 (UN-AUDITED)

	Oct. - Dec. 2014	Oct. - Dec. 2013
(Rupees in thousand)		
Turnover		
Local	924,285	670,211
Export	16,416	1,192,765
	940,701	1,862,976
Less : Sales Tax and Federal Excise Duty	4,598	8,126
Sales - net	936,103	1,854,850
Cost of Sales	748,150	1,780,413
Gross Profit	187,953	74,437
Distribution Cost	4,614	19,294
Administrative Expenses	43,893	43,471
Other Expenses	18	18
Other Income	(13,034)	(6,949)
	35,491	55,834
Profit from Operations	152,462	18,603
Finance Cost	72,830	54,563
Profit / (Loss) before Taxation	79,632	(35,960)
Taxation		
Current	0	17,950
Deferred	7,365	(22,828)
	7,365	(4,878)
Profit / (Loss) after Taxation	72,267	(31,082)
Other Comprehensive Income	0	0
Total Comprehensive Income / (Loss)	72,267	(31,082)
----- Rupees -----		
Earnings / (Loss) per Share	2.52	(1.08)

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CASH FLOW STATEMENT

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2014 (UN-AUDITED)

	Dec 31, 2014	Dec 31, 2013
(Rupees in thousand)		
Cash flow from operating activities		
Profit / (loss) for the year - before taxation	79,632	(35,960)
Adjustments for non-cash charges and other items:		
Depreciation	88,483	97,422
Amortisation of intangible assets	29	0
Gain on disposal of operating fixed assets	0	(83)
Finance cost	72,190	52,510
Profit before working capital changes	240,334	113,889
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(117,433)	(214,771)
Stock-in-trade	(972,630)	(340,649)
Trade debts	102,289	(13,063)
Loans and advances	(3,858)	(273,425)
Prepayments and other receivables	53	(456)
Sales tax - net	(32,553)	(87,986)
Increase in trade and other payables	792,344	1,874,486
	(231,788)	944,136
Cash generated from operations	8,546	1,058,025
Income tax paid	(4,826)	(27,533)
Net cash generated from operating activities	3,720	1,030,492
Cash flow from investing activities		
Purchase of property, plant and equipment	(171,023)	(242,173)
sale proceeds of vehicle	0	352
Net cash used in investing activities	(171,023)	(241,821)
Cash flow from financing activities		
Long term finances - net	376,671	645,865
Lease finances - net	(594)	14,463
Short term borrowings - net	(137,266)	(1,359,568)
Dividend paid	0	(1)
Finance cost paid	(136,768)	(91,905)
Net cash generated from / (used in) financing activities	102,043	(791,146)
Net decrease in cash and cash equivalents	(65,260)	(2,475)
Cash and cash equivalents - at beginning of the period	122,290	27,124
Cash and cash equivalents - at end of the period	57,030	24,649

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2014 (UN-AUDITED)

	Share capital	General reserve	(Accumulated loss) / unappropriated profit	Total
----- Rupees in thousand -----				
Balance as at September 30, 2013	286,920	327,000	(69,526)	544,394
Total comprehensive income for the quarter ended December 31, 2013	0	0	(31,082)	(31,082)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year -net of deferred taxation	0	0	44,316	44,316
Balance as at December 31, 2013	286,920	327,000	(56,292)	557,628
Balance as at September 30, 2014	286,920	327,000	(18,206)	595,714
Total comprehensive loss for the quarter ended December 31, 2014	0	0	72,267	72,267
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	40,486	40,486
Balance as at December 31, 2014	286,920	327,000	94,547	708,467

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE IST QUARTER ENDED 31 DECEMBER, 2014 (UN-AUDITED)

1. LEAGAL STATUS AND NATURE OF BUSINESS

Chashma Sugar Mills Limited (the Company) was incorporated on May 05, 1988 as a Public Company and it commenced commercial production from October 01, 1992. The Company is principally engaged in manufacture and sale of white sugar. Its shares are quoted on all Stock Exchanges in Pakistan. The Head Office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and the Mills are located at Dera Ismail Khan.

2. BASIS OF PREPERATION

This condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the members in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company as at and for the year ended September 30, 2014.

3. TAXATION

There is no change in taxation matters since the date of preceding published annual financial statements of the Company.

4. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 26, 2015 by the Board of Directors of the Company.

5. GENERAL

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been re-arranged nor re-classified.



CHIEF EXECUTIVE



DIRECTOR